

Message Text

CONFIDENTIAL

PAGE 01 SANTIAGO 00513 012059Z

44

ACTION ARA-20

INFO OCT-01 ISO-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 SAM-01 NSC-10 SS-20

STR-08 CEA-02 L-03 H-03 PA-04 PRS-01 USIA-15 DRC-01

/165 W

----- 039976

R 011902Z FEB 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 7332

INFO AMEMBASSY LIMA

C O N F I D E N T I A L SANTIAGO 0513

EO 11652: GDS

TAGS: CI, EGEN

SUBJECT: ANDEAN PACT INVESTMENT CODE

REF: SANTIAGO 0424

1. DURING MY CALL ON FOREIGN MINISTER JANUARY 25 (REFTEL), I RAISED THIS SUBJECT. I SAID I HAD SEEN A NUMBER OF POTENTIAL U.S. INVESTORS IN RECENT WEEKS. I THOUGHT IT MIGHT INTEREST THE MINISTER TO KNOW THAT EACH OF THEM HAD INQUIRED ABOUT ANDEAN PACT INVESTMENT CODE RESTRICTIONS ON FOREIGN CAPITAL INVESTMENT, INDICATING THIS WAS A MATTER OF SOME CONCERN TO THEM.

2. HUERTA SAID THE RESTRICTIVE PROVISIONS OF ARTICLE 24 OF THE INVESTMENT CODE ARE ALSO OF CONCERN TO THE GOC. IT IS THE POLICY OF THE GOC TO WELCOME AND ENCOURAGE FOREIGN CAPITAL INVESTMENT. AT THE SAME TIME, THE GOC HAS COMMITTED ITSELF TO HONOR CHILE'S INTERNATIONAL COMMITMENTS WHICH PRESUMABLY WOULD INCLUDE THE ANDEAN PACT INVESTMENT CODE. SOMETHING MUST BE DONE ABOUT THE LATTER TO PREVENT ITS ACTING AS AN IMPEDIMENT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SANTIAGO 00513 012059Z

IN THE WAY OF FOREIGN CAPITAL INVESTMENT IN CHILE.

3. THE FOREIGN MINISTER SAID SOME STUDY HAS BEEN GIVEN TO TWO POSSIBILITIES FOR DEALING WITH THE PROBLEM OF THE INVESTMENT CODE. ONE MEANS WOULD BE TO HOLD THAT THE GOC IS NOT BOUND BY THE PROVISIONS OF THE CODE, GIVEN THE LEGAL IMPERFECTIONS IN THE RATIFICATION PROCESS CONDUCTED IN CHILE. (THE CODE WAS RATIFIED BY A DECREE LAW OF THE ALLENDE GOVERNMENT DESPITE A RULING BY THE CONTROLLER GENERAL THAT THE CODE SHOULD BE SUBMITTED TO THE CONGRESS FOR RATIFICATION.) THE OTHER MEANS ALSO UNDER CONSIDERATION WOULD INVOLVE A GOC EFFORT WITHIN THE ANDEAN PACT TO OBTAIN APPROVAL FOR MODIFICATION OF THE FOREIGN CAPITAL INVESTMENT RESTRICTIONS IN THE INVESTMENT CODE. WHATEVER MEANS MAY BE ADOPTED FOR DEALING WITH THIS PROBLEM, THE MINISTER SAID HE WANTED ME TO KNOW THAT IT WILL BE ADDRESSED IN ORDER THAT CHILE MAY OBTAIN THE FOREIGN CAPITAL INVESTMENT IT WANTS, NEEDS, AND MUST HAVE.
THOMPSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INVESTORS, INVESTMENT OPPORTUNITIES, INVESTMENT CONTROLS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTIA00513
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740262/aaaacfrj.tel
Line Count: 78
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: SANTIAGO 0424
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by kelleyw0>; APPROVED <09 DEC 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANDEAN PACT INVESTMENT CODE
TAGS: EGEN, CI, ANDEAN PACT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005